

## **RALEIGH-DURHAM AIRPORT AUTHORITY**

### *MINUTES*

*April 17, 2003*

Chairman Clancy presided. Present: Members Gibbs; Sanders; Teer; Toler; Weeks and Zaytoun. Absent: Member Winston. Also present: Airport Director Brantley; Deputy Director, Operations Shackelford; Deputy Director, Facilities Engineering & Maintenance Pittman; Major Capital Improvements Program Director Powell; Customer Service & Organizational Support Director Damiano; Deputy Director, Finance Business & Administration Gill; Finance Director Barritt; Parking Director Scialdone; Senior Program Manager Quesenberry; Facilities Engineering Manager Jewett; Facilities Program Manager Cayton; Law Enforcement Manager Waters; Properties & Insurance Officer Quinn; Communications Manager Hamlin; Parking Administration Manager Slayton; Communications Specialist Dunton; Business Development Officer Hairston; Internal Auditor Jordan; Purchasing Officer Thompson; Training Officer Harleston; Public Transportation Supervisor Kiser; Information Technology Manager Schiller; Network Administrator King; Information Technology Technician Craig; Customer Relations Supervisor Kawiecki; GIS Manager Dana; Executive Assistant Mitchell and Attorney Tatum.

Guests: Charles McCloskey, Parsons Transportation Group; Howard Harmon, The Paradies Shops; Cedric Nelson, CTN Services; and Thomas W. Bradshaw, Jr., Salomon Smith Barney.

**APPROVAL OF AGENDA** – There were no changes to the agenda, and it was approved as submitted.

**APPROVAL OF MINUTES** – There were no changes to the minutes of the March 20, 2003 meeting, and they were approved as submitted.

**CHAIRMAN’S COMMENTS** – Chairman Clancy announced that the next regular meeting of the Authority on May 15, 2003 would consist primarily of a planning session to discuss the scope of the Terminal C renovation and expansion project and the financing of that project.

**GROUND ACCESS COMMITTEE REPORT** – Major Capital Improvements Program Director Powell reported the Committee met jointly with representatives of the Triangle Transit Authority on March 25, 2003. Draft findings of the Airport-Rail Link Study carried out jointly by the Airport Authority and the TTA were presented. Highlights of the findings include: (i) there is agreement between the authorities that a high quality transit link between the TTA’s Phase 1 Regional Rail and the Airport is needed; (ii) more marketing efforts are needed to promote the use of the existing TTA shuttle operations, to include customer awareness and transit operations; (iii) the planned Triangle Metro Center station is the logical connection point between the Airport and Phase 1 Regional Rail; and (iv) decision points should be based on ridership and consideration of future technologies. There currently exists a Memorandum of Agreement between the authorities to conduct the study. At the March 25 meeting, the representatives present agreed that a second Memorandum of Agreement is needed to outline the conclusions of the Study, identify future actions to be taken, and define the timing thereof. The Airport Authority will be presented an overview of the Study at a future date.

The Authority received the report, and no further action was required.

**LAND & DEVELOPMENT COMMITTEE REPORT** – Member Teer reported the Committee met on April 17, 2003 and discussed the following items:

1. Consideration of a proposed Agreement with Robert & Company, PA for engineering consulting services in connection with Bulk Fuel Farm Repairs, Soil Contamination Cleanup & Glycol Tank Addition, RDU #080469. Deputy Director, Facilities Engineering & Maintenance Pittman reported on a proposed Agreement for Consulting Services with Robert & Company for engineering investigation, testing and design of improvements to the bulk fuel storage farm and remote pickup facility. This work involves an extensive operating and condition assessment of the bulk fuel farm, the remote fuel pickup facility south of Terminal A, related piping and the cathodic (corrosion) protection system. The work also includes preliminary and final design of all components necessary to install a 20,000-gallon tank, associated piping and inventory controls for storage of Type IV glycol in the fuel farm. Robert & Company designed the original fuel farm and pumping system and provided oversight of its installation. Therefore, it is advantageous to the Authority to engage that firm to provide the services currently required. The proposed contract amount is \$221,095, including reimbursable expenses. The Committee recommended approval of the proposed agreement with Robert & Company in the amount of \$221,095.
  
2. Consideration of authorizing the Airport Director to accept the low bid upon receipt and award a contract for repairs to the concrete pavement of Runway 5L-23R, a part of Airside/Landside Pavement & Drainage Repairs, RDU #080439. Deputy Director, Facilities Engineering & Maintenance Pittman reported on the repairs to be made to the concrete pavement of Runway 5L-23R, and the subsequent contract to be awarded upon receipt of the bids. Staff has utilized the Authority's general pavement consultant, Talbert & Bright, to locate and map areas of pavement that require repairs and to design durable methods of correction that can be made in a short window of opportunity due to time restrictions for closing the runway. The project includes various spall repairs, slab replacement, and joint repairs. The Operations Department recently polled the airlines and air cargo companies with respect to preferred runway downtimes and the preferred timeframe in which to perform the work. The consensus is that night work is preferred with the runway being open during the day. It is also desirable that the work be completed prior to the onset of hot weather, which could cause alteration of fuel or cargo loads on planes that must operate during the closure period on Runway 5R-23L, which is 7,500 feet in length. Due to the Engineer's opinion of probable cost for the work, which now stands at \$253,500, it is staff's intention to bid the job informally. This work was estimated at \$350,000 in developing the FY 2003-04 project budget. In order to commence and complete the work prior to the onset of warmer weather, staff requested that the Airport Director be authorized to award and execute a contract in an amount not-to-exceed \$300,000. The Committee recommended that the Airport Director be authorized to accept the low bid upon receipt and award and execute a contract for repairs to the concrete pavement of Runway 5L-23R, a part of Airside/Landside Pavement & Drainage Repairs, in an amount not-to-exceed \$300,000.

Member Teer made a motion, seconded by Member Weeks, to approve the recommendations of the Land & Development Committee. Adopted.

**AUDIT SERVICES AGREEMENT** – Finance Director Barritt reported on the proposal for Financial Statement Audit Services with Cherry, Bekaert & Holland L.L.P. (“CB&H”) for the fiscal year ended March 31, 2003. CB&H submitted an engagement letter and contract for audit services in accordance with generally accepted auditing standards and *Government Auditing Standards*. The proposed fee is \$26,500, which is an increase of \$700 from the prior year fee of \$25,800. As North Carolina statutes require audit contracts to be approved annually in order to be binding, the Authority must approve a separate contract each year. Staff has been very satisfied with the services rendered by CB&H in prior years and trusts in their ability to maintain this same level of competency, in addition to maintaining very competitive fees. Staff recommended retaining Cherry, Bekaert & Holland for audit services (including audit of state and federal awards) for the fiscal year ended March 31, 2003.

Member Teer made a motion, seconded by Member Weeks, to approve the proposed agreement with Cherry, Bekaert & Holland, L.L.P, for audit services for the fiscal year ended March 31, 2003. Adopted.

**TRIANGLE ICON REPORT** – Deputy Director, Facilities Engineering & Maintenance Pittman reported on Phase II of the Triangle Icon project. Artist Wellington Reiter has been commissioned to design the Icon. A PowerPoint presentation provided computerized graphics of the conceptual proposal as presented in October 2002, and the revised proposal of February 2003. The revised concept illustrates a 50% reduction in the area of the ellipse. The pylon will be a 50’ tall painted steel tower. Two wing-like forms symbolizing the Wright Brothers will be the primary supports for the ellipse. The length of the ellipse is 120’, the length of the first flight. Construction will begin in October 2003 and be completed by December 17, 2003. The Authority retains the rights to use the image in all ways deemed appropriate.

Member Zaytoun made a motion, seconded by Member Teer, to approve the amended design as presented and to move forward with the final concept of the Triangle Icon. Adopted.

**THE PARADIES SHOPS AMENDMENT** – Business Development Officer Hairston reported on proposed Amendment #2 to the lease agreement between The Paradies Shops and the Authority for the operation of news and gift and specialty retail stores in Terminal A and Terminal C. The current term is January 1, 2001 to December 31, 2005. This amendment sets the Date of Beneficial Occupancy (DBO) for concession units developed in phase II of construction. Paradies will build two shops, a gift shop and a news/gift shop, in the Terminal A North concourse area currently occupied by the north security checkpoint. When the new shops open, Paradies will close the existing news/gift shop adjacent to Gate A25. In accordance with the terms of the amended lease, the Authority will reimburse Paradies through rent credits the unamortized construction expense for the Gate A25 news/gift shop, approximately \$148,000. The term of the lease agreement will be extended two years from December 31, 2005 to December 31, 2007. The Terminal A North checkpoint is scheduled to relocate to the first floor lobby, leaving approximately 1,850 s.f. of space vacant and available for redevelopment. The existing news/gift shop sits adjacent to a food/bar facility between Gates A24 and A25. Relocating the news/gift shop to the checkpoint area will permit expansion of the news and gift options in the north end of the terminal and permit expansion of food service seating into the 898 s.f. space currently occupied by the news/gift shop. The current and redeveloped news/gift shop is sublet to a DBE partner. Staff recommended approval of Amendment #2 to the agreement with Paradies, which will extend the term of the lease for all Paradies stores to December 31, 2007.

Member Sanders made a motion, seconded by Member Weeks, to approve Amendment #2 to the Agreement with The Paradies Shops, which extends the term of the lease for all Paradies stores to December 31, 2007. Adopted.

Business Development Officer Hairston reported that starting April 28, 2003, travelers who have prohibited items in their carry-on luggage will be able to mail home or to their destination from self-service drop boxes near the terminal security checkpoints those items weighing 10 ounces or less. CheckPoint Mailers Inc. of Huntersville, NC will set up mailboxes next to the three checkpoints. Travelers can mail a banned item anywhere in the U.S. for a \$6.00 charge. Travelers will drop their items into a sealable bag, along with an address label and payment, and CheckPoint Mailers' staff will wrap and ship the item. The Airport will receive 10% of the revenues. The Authority does not anticipate a high amount of revenue. Rather, the service is a goodwill gesture. RDU is one of a few airports in the nation offering this type of service. The service will be provided on a trial basis. Staff will bring an agreement back to the Authority in several months if the service is successful.

**AUTHORITY COMMITTEES** – Chairman Clancy presented assignments to the Authority's standing committees for the FY2003-05 biennium. The committee members are as follows:

Land & Development Committee - Teer, Chairman; Clancy; Weeks; Winston  
Law, Finance & Personnel Committee - Sanders, Chairman; Gibbs; Winston; Zaytoun  
Operations Committee - Weeks, Chairman; Clancy; Gibbs; Sanders  
Marketing & Customer Services Committee - Zaytoun, Chairman; Toler, Winston  
Aircraft Noise Advisory Committee- Clancy, Chairman  
Ground Access Committee – Toler, Chairman; Clancy; Sanders; Weeks  
MBE Plan Committee – Gibbs, Chairman; Zaytoun

**RESOLUTIONS** – In keeping with tradition, Airport Director Brantley introduced resolutions recognizing former Authority members Ray Sparrow, David Lane and Lionell Parker for their contributions to the Authority.

As the member replacing Mr. Sparrow, Member Zaytoun was asked to make the motion to adopt that resolution. Member Zaytoun made a motion, seconded by Member Weeks, to adopt the resolution recognizing Ray Sparrow for his service on the Authority board. Adopted.

As the member replacing Mr. Lane, Member Weeks was asked to make the motion to adopt that resolution. Member Weeks made a motion, seconded by Member Zaytoun, to adopt the resolution recognizing David Lane for his service on the Authority board. Adopted.

As the member replacing Mr. Parker, Member Sanders was asked to make the motion to adopt that resolution. Member Sanders made a motion, seconded by Member Toler, to adopt the resolution recognizing Lionell Parker for his service on the Authority board. Adopted.

**MEMBER COMMENTS/REPORTS** – Member Gibbs welcomed Chairman Clancy and offered to assist him in any way possible. Member Zaytoun said he had a very pleasant experience recently with the new taxicab service.

**GENERAL COUNSEL'S REPORT** – Attorney Tatum reported he recently attended the annual Airports Council International-North America Legal Committee meeting in Vancouver, British Columbia, Canada. He participated in work sessions related to rental car issues, concessionaires, wireless data and voice programs, PFC programs, environmental issues, current and possible bankruptcy of airlines and rental car companies, and airport finance. He very much enjoyed the conference and found the information very helpful. He reported that the agreement with Dulles Airport Taxi is being finalized, and staff expects to have a signed agreement within the next month.

**AIRPORT DIRECTOR'S REPORT** –

- The Homeland Security Department announced yesterday that the national terrorism threat level will be lowered from orange to yellow beginning at noon today. Random vehicle inspection will cease, thereby allowing the Authority to reopen direct access to the terminals from U.S.70/Lumley Road.
- Through the efforts of Federal Security Director Juhl, expansion of the security checkpoints in the terminals will move forward. Each checkpoint will expand by one lane. The Terminal C checkpoint will expand from 3 lanes to 4 lanes. The Terminal A checkpoint will expand from 4 lanes to 5 or 6 lanes. The Terminal A Extension checkpoint will expand from 2 lanes to 3 lanes. If plans proceed accordingly, construction should be complete by the end of May. The TSA will supply all equipment and install electrical power and data cables. The Authority will provide the glass partitions and additional signage. The TSA will staff the added facilities, and the additional checkpoint lanes will be operated only during peak times. The TSA also has plans to cross train staff to do baggage screening and passenger screening.
- The Authority has received no further information regarding a requirement that passengers have a boarding pass in order to proceed to the gate.
- Final payment was made on March 31<sup>st</sup> on the 1983 \$30M General Obligation Bonds that built the big runway. The Authority is now free of any debt associated with that runway.
- The reduction in mainline carrier flights and transition to regional jet flights has meant the loss of 80,000 available airline seats at RDU in March 2003 versus March 2002. The significant decrease in passenger boardings and deplanements in March 2003 versus March 2002 appears to be primarily due to lack of available seats rather than the war in Iraq.
- Enplaned passengers for March 2003 totaled 322,897 versus 379,272 for March 2002 for a 14.9% decrease. Year-to-date 2003 enplaned passengers totaled 866,124 versus 935,909 for year-to-date 2002 for a 7.5% decrease.
- Deplaned passengers for March 2003 totaled 323,939 versus 373,414 for March 2002 for a 13.3% decrease. Year-to-date 2003 deplaned passengers totaled 882,418 versus 943,761 for year-to-date 2002 for a 6.5% decrease.
- Enplaned air cargo for March 2003 totaled 7,597,030 pounds versus 8,247,722 pounds for March 2002 for a 7.9% decrease. Year-to-date 2003 enplaned air cargo totaled 22,447,457 versus 24,455,406 for year-to-date 2002 for an 8.2% decrease.

- Deplaned air cargo for March 2003 totaled 9,985,026 pounds versus 10,537,551 pounds for March 2002 for a 5.3% increase. Year-to-date 2003 deplaned air cargo totaled 29,217,338 versus 29,131,500 for year-to-date 2002 for a 0.3% increase.
- Weekday scheduled flight departures for March 2003 totaled 213 versus 242 for March 2002 for a 12.0% decrease.
- Aircraft operations for March 2003 totaled 18,860 versus 21,099 for March 2002 for a 10.6% decrease. Year-to-date 2003 aircraft operations totaled 52,622 versus 58,823 for year-to-date 2002 for a 10.6% decrease.
- The number of vehicles exiting the terminal area public parking lots during March 2003 totaled 151,607 versus 166,638 for March 2002 for a 9.0% decrease. Year-to-date 2003 number of vehicles exiting the terminal area public parking lots totaled 416,087 versus 436,604 for year-to-date 2002 for a 4.7% decrease.
- The number of taxicab trips taken during March 2003 totaled 13,185 versus 12,128 during March 2002 for an 8.7% increase. The year-to-date 2003 number of taxicab trips totaled 33,832 versus 34,322 for year-to-date 2002 for a 1.4% decrease.
- 79 of the 86 new licensed taxicabs are now in operation. The exchange of checks for titles on the old cabs was concluded on April 15. Hopefully, the remaining cabs will be removed from the front parking lot, and the ones having more than minimal value auctioned off later this summer.
- Customer Service & Organizational Support Director Damiano reported on recent customer service initiatives. The first set of standards for customer service was issued on April 10 at a meeting with the business partners. The meeting went very well, and there was good participation. Customer Relations Supervisor Kawiecki and Business Development Officer Hairston were recognized for their efforts on this project during the past year. The Authority entered into an agreement with Confaro to conduct additional rounds of mystery shopping, the results of which will be provided next quarter.
- May 1<sup>st</sup> marks the 60th anniversary of RDU. Everyone is invited to an employee luncheon at noon, followed by a cake cutting at 2:00 p.m. in the original terminal lobby area (now Terminal A Extension). Former Airport Director Henry Boyd, along with other former board members, will be present for the celebration.
- As part of the anniversary celebration, the RDU website is currently featuring photos from the Airport's past and present. These photos are also featured in an exhibit, "Celebrating 60 Years of Flight," which is located along the connector hallway between Terminal A and Terminal A Extension. The website also features a Share Your Memories page. Residents are invited to share special memories they may have about RDU. Also in this section are the RDU Trivia Challenge and [RDU 4 Kids](#). RDU's history is being featured in a four-part series as part of the Newspapers In Education program in The News & Observer and The Durham Herald-Sun.

**ADJOURNMENT** - There being no further business, Chairman Clancy adjourned the meeting.

Respectfully submitted,

Stephen K. Zaytoun, Secretary

CORRECT ATTEST:

David T. Clancy, Chairman